

NEWS RELEASE

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CONTACT: GLENN BRIERE
(617) 727-6200, EXT. 123

DeNUCCI URGES STRONGER CONTROLS OVER MEDICAID PROVIDER CERTIFICATION

State Auditor Joe DeNucci reported today that MassHealth, the agency that administers the Commonwealth's Medicaid program, needs to improve its oversight of provider certification and re-certification to help ensure the integrity of the program and the safety and well-being of Medicaid members.

DeNucci's review of 37 Medicaid transportation providers disclosed problems that could result in services being provided by ineligible or unqualified providers. None of the 37 providers was in full compliance with the terms of their MassHealth contracts because they had not disclosed all required information in the initial application or notified MassHealth within 14 days of changes in the information.

DeNucci said that because MassHealth does not conduct ongoing provider credentialing and adequate monitoring of transportation providers, the agency has no assurance that Medicaid members are being serviced by properly licensed, insured and legitimate owners. Information that should be on file includes ownership and control, ownership in related parties that could also bill Medicaid, tax information and financial statements, and evidence of insurance. In one case, the information on file was 23 years old.

DeNucci said the credentialing should also be strengthened through on-site inspections, criminal offender checks, and the cross-referencing of ownership information with records in the Secretary of State's office. MassHealth indicated that it has begun to respond to the recommendations in DeNucci's report, and has implemented a plan to re-credential all Medicaid providers.

The audit follows a DeNucci report issued last fall that disclosed that MassHealth did not have adequate oversight and fraud detection systems in place to effectively detect and deter fraud in Medicaid, a program which accounts for approximately 25 percent of all state spending.

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DeNucci has made oversight of the Medicaid program one of his top priorities through a new Medicaid audit unit in his office. This unit will focus on areas of vulnerability in the Medicaid program, which annually pays nearly \$7 billion to 26,000 providers for services.

“As part of its efforts to improve program integrity, MassHealth must take all possible steps to prevent provider fraud and abuse and to protect the safety of people who receive Medicaid services,” said DeNucci.